

2. IRAN: THE POWER STRUGGLE CONTINUES

The power struggle between Bani-Sadr and his fundamentalist opponents is continuing. But the point of contention seems to have shifted from the hostages to the conduct of the war and related diplomacy. The war could threaten the clerics' position because it emphasizes nationalism (in contrast to Islam) and could break the clerical claim of being the Revolution's sole defenders.

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The war has finally produced a consensus on the hostages: they no longer have any political utility. It is still not clear whether the Majlis will be able to produce a set of conditions acceptable to both Iran and the US, but the signals coming from Tehran are encouraging.

However, the war has not eliminated the basic political issue of who runs the government. In his newspaper yesterday, Bani-Sadr declared that he, not Prime Minister Rajai, was the chief executive. He also attacked the fundamentalists for sending Rajai to the UN without consulting him.

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DOS REVIEW COMPLETED

NSA review(s) completed.